

Message Text

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PAGE 01 OTTAWA 03029 192222Z

73

ACTION EUR-25

INFO OCT-01 ISO-00 EB-11 COME-00 TRSE-00 L-03 H-03 CIAE-00

INR-11 NSAE-00 RSC-01 PA-04 PRS-01 USIA-15 DRC-01

/076 W

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R 192146Z SEP 74

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC 4531

C O N F I D E N T I A L OTTAWA 3029

E.O. 11652: GDS

TAGS: EFIN SCUL CA

SUBJECT: GOC CONSIDERS TERMINATION OF TIME'S ADVERTISING TAX
EXEMPTION

REF: OTTAWA 2879

1. AS INDICATED IN PARA THREE OF REFTTEL, TIME CANADA FACT SHEET ON ITS FINANCIAL SITUATION WAS HAND-DELIVERED ON SEPTEMBER 17 UNDER COVER OF LETTER SIGNED BY TIME CANADA LTD. PRESIDENT STEPHEN LARUE TO EVERY MEMBE OF CABINET INCLUDING PRIME MINISTER TRUDEAU. NEXT STEP WILL PRE-SUMABLY BE REQUEST FOR INTERVIEW WITH TRUDEAU. ACCORDING TO OTTAWA BUREAU CHIEF WILLIAM MADER (WHO PROVIDED EMBASSY WITH COPIES SEPTEMBER 18), THERE HAS AS YET BEEN NO RE-ACTION OR LEAK.

2. GIST OF FACT SHEET IS THAT TIME'S CANADIAN ADVERTISERS ACCOUNTED FOR NET ADVERTISING REVENUES OF ABOUT \$6 MILLION IN 1973. HAD TIME CANADA BEEN DEPRIVED OF THIS REVENUE, THE MAGAZINE WOULD HAVE SUSTAINED A DEFICIT OF \$2 MILLION FOR THE YEAR (INSTEAD OF A PROFIT OF ABOUT \$1 MILLION). TIME IS NOT PREPARED TO SUBSIDIZE A DEFICIT. FACT SHEET ALSO LISTS INCOME WHICH CANADA WOULD LOSE IF TIME FOLDED: ABOUT \$1 MILLION IN CORPORATE INCOME TAXES, \$1 MILLION IN WAGES, \$5 MILLION TO SUPPLIERS, \$1 MILLION
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PAGE 02 OTTAWA 03029 192222Z

TO ADVERTISING AGENCIES FOR COMMISSIONS, ETC.

3. COPIES OF LETTERS AND FACT SHEET POUCHED TO EUR/CAN.

PORTER

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ADVERTISING, TAX RELIEF, FOREIGN INVESTMENTS, TIME MAGAZINE
Control Number: n/a
Copy: SINGLE
Draft Date: 19 SEP 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974OTTAWA03029
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740263-1153
From: OTTAWA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740932/aaaabamw.tel
Line Count: 65
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: OTTAWA 2879
Review Action: RELEASED, APPROVED
Review Authority: garlanwa
Review Comment: n/a
Review Content Flags:
Review Date: 15 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <15 APR 2002 by shawdg>; APPROVED <16-Aug-2002 by garlanwa>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GOC CONSIDERS TERMINATION OF TIME'S ADVERTISING TAX EXEMPTION
TAGS: EFIN, SCUL, CA, US
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005